

Message Text

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ACTION TRSE-00

INFO OCT-01 EA-12 ISO-00 NEA-10 IO-14 L-03 H-02 PA-02
SP-02 USIA-15 AID-05 EB-08 NSC-05 SS-15 STR-07
OMB-01 CEA-01 CIAE-00 COME-00 FRB-01 INR-10
NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 INT-05 /134 W
-----085794 020746Z /10

P 020640Z MAR 78
FM AMEMBASSY MANILA
TO SECSTATE WASHDC PRIORITY 2395

UNCLAS SECTION 1 OF 2 MANILA 3393

USADB

PASS TREASURY FOR D. SHERK

E.O. 11652: N/A
TAGS: EAID, EFIN
SUBJECT: ADB LOANS FOR EXPANDING STEEL PRODUCTION

REF: SHERK/WESTCOTT TELECON

1. THE ASIAN DEVELOPMENT BANK HAS NOT EXTENDED ANY DIRECT
LOANS TO ANY FOREIGN COUNTRIES FOR THE PURPOSE OF EXPANDING
STEEL PRODUCTION.

2. THE BANK DOES EXTEND GENERAL PURPOSE LOANS TO NATIONAL
DEVELOPMENT BANKS, WHICH ARE RELOANED TO BORROWERS FOR
VARIOUS PURPOSES. THERE HAVE BEEN TWO CASES IN WHICH SUCH
SUB-LOANS HAVE BEEN EXTENDED TO ASSIST IN THE FINANCING OF
STEEL MAKING CAPACITY IN THE ASIAN REGION. THESE TWO SUB-
LOANS, WHICH WERE BOTH MADE TO KOREAN FIRMS, TOTAL APPROXI-
MATELY \$1,125,000. THE DETAILS OF THESE SUB-LOANS AND THE
CREDIT LINES UNDER WHICH THEY WERE EXTENDED ARE SHOWN
BELOW:

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A. LOAN NO. 23-KOR TO MEDIUM INDUSTRY BANK (FIRST
MIB PROJECT)

I. INFORMATION ON CREDIT LINE

I) TOTAL AMOUNT OF CREDIT LINE - US\$10.0 MILLION
II) DATE OF EFFECTIVENESS - 18 MARCH 1970

III) INTEREST RATE - "FLOATING" /
IV) MATURITY - 15 YEARS
V) GRACE PERIOD - 3 YEARS (AS PART OF OVERALL
MATURITY)

/FOOTNOTE: INTEREST RATE IS DETERMINED FOR EACH SUB-
LOAN BY THE BANK'S OVERALL LENDING RATE PREVAILING AT
THE DATE OF CREDITING THE SUB-LOAN TO THE LOAN ACCOUNT.

II. INFORMATION ON THE SUB-LOAN

I) SUB-BORROWER - PUSAN CAST IRON LTD.
II) AMOUNT OF SUB-LOAN - US\$140,466.55
III) INTEREST RATES:
- BORROWING RATE FROM ADB - 6.875 PERCENT PER YEAR
- SUB-LENDING RATE - 10 PERCENT PER YEAR
IV) MATURITY - 13 YEARS
V) GRACE PERIOD - 3 YEARS (INCLUDED IN OVERALL
MATURITY)
VI) PURPOSE OF SUB-LOAN - TO FINANCE ACQUISITION AND
INSTALLATION OF LOW FREQUENCY
CRUCIBLE INDUCTION MELTING FOR
PRODUCING STEEL FROM SCRAP, AND
FOUNDRY AND LABORATORY EQUIPMENT
FOR IMPROVING THE WORKING
EFFICIENCY AND QUALITY OF STEEL

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PRODUCTS OF THE ENTERPRISE.
VII) INCREMENTAL CAPACITY OF
FACILITY - 8,700 MT OF STEEL INGOTS AND
CASTINGS PER YEAR.
VIII) SUB-LOAN DATE - 4 AUGUST 1971

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ACTION TRSE-00

INFO OCT-01 EA-12 ISO-00 SP-02 USIA-15 AID-05 EB-08
NSC-05 SS-15 STR-07 OMB-01 CEA-01 CIAE-00 COME-00
FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06 LAB-04

SIL-01 INT-05 NEA-10 IO-14 L-03 H-02 PA-02 /134 W

-----086975 021013Z /11

P 020640Z MAR 78

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 0000

UNCLAS SECTION 2 OF 2 MANILA 3393

USADB

PASS TREASURY FOR D. SHERK

B. LOAN NO. 180-KOR TO KOREA DEVELOPMENT BANK (THIRD
KDB PROJECT)

I. INFORMATION ON CREDIT LINE

I) TOTAL AMOUNT OF CREDIT LINE - US\$30.0 MILLION

II) DATE OF EFFECTIVENESS - 18 JUNE 1974

III) INTEREST RATE - "FLOATING" /

IV) MATURITY - 15 YEARS

V) GRACE PERIOD - 3 YEARS (AS PART OF OVERALL
MATURITY

/FOOTNOTE: INTEREST RATE IS DETERMINED FOR EACH SUB-LOAN
BY THE BANK'S OVERALL LENDING RATE PREVAILING AT THE DATE
OF CREDITING THE SUB-LOAN TO THE LOAN ACCOUNT.

II. INFORMATION ON THE SUB-LOAN

I) SUB-BORROWER - SEOUL STEEL MFG. CO., LTD.

II) AMOUNT OF SUB-LOAN - US\$984,533

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III) INTEREST RATES:

- BORROWING RATE FROM ADB - 8.3 PERCENT PER YEAR

- SUB-LENDING RATE - 9.5 PERCENT PER YEAR

IV) MATURITY - 10 YEARS

V) GRACE PERIOD - 2 YEARS (INCLUDED IN THE OVERALL
MATURITY)

VI) PURPOSE OF SUB-LOAN - TO FINANCE THE ACQUISITION AND
INSTALLATION OF A SET OF 20-TON
ELECTRIC ARC FURNACES FOR PRODUC

ING

STEEL FROM SCRAP IN ACCORDANCE
THE ENTERPRISE'S EXPANSION
PROJECT.

VII) INCREMENTAL CAPACITY OF

THE FACILITY - 20,000 MT OF STEEL INGOTS
CASTINGS PER YEAR.

VIII) SUB-LOAN DATE - 28 NOVEMBER 1974
WESTCOTT

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, PRODUCTION, DEVELOPMENT LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Expiration:
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Format: TEL
From: MANILA USADB
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ISecure: 1
Legacy Key: link1978/newtext/t197803115/aaaadtpt.tel
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Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: dfdc3dba-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3142529
Secure: OPEN
Status: NATIVE
Subject: ADB LOANS FOR EXPANDING STEEL PRODUCTION
TAGS: EAID, EFIN, ADB
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/dfdc3dba-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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US Department of State
EO Systematic Review
20 Mar 2014
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